GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:849
ANSWERED ON:04.03.2008
RURAL EMPLOYMENT GENERAL PROGRAMME
Jagannath Dr. M.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the total number of Agro and Rural Industries set up under Rural Employment Generation Programme/Margin Money Scheme, State and Union Territory-wise;

(b) whether any proposal is under consideration to increase the quantum of margin money under the scheme;

(c) if so, the details thereof;

(d) whether the Government has conducted the performance appraisal of the scheme;

(e) if so, the details thereof; and

(f) the total amount sanctioned and utilized under the scheme during each of the last three years, State and Union Territory-wise?

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a): The State/Union Territory-wise number of village industry units set up by the entrepreneurs by availing margin money under the Government's Rural Employment Generation Programme (REGP) (earlier known as Margin Money Scheme), implemented through the Khadi and Village Industries Commission (KVIC), since the inception of the scheme from 1 April, 1995 to 31 March, 2007, are given at Annex. I.

(b): No, Sir. The existing rates of margin money assistance under the REGP are considered to be adequate for setting up of village industries.

(c): Does not arise.

(d) & (e): Since its launch in 1995-96, KVIC was appraised through two different agencies, in two phases. In the first phase, evaluation of REGP projects financed up to 31.3.2001 was conducted by taking up a sample of 10930 units drawn from all States and Union Territories. The evaluation revealed that nearly 70% of the units were working satisfactorily and around 2.84% of the units were reported as sick. The Scheduled Castes (SC) & Scheduled Tribes (ST) coverage of units were 15% and 10% respectively. The per capita annual net earnings of REGP entrepreneurs were Rs.43,735 In the second phase, appraisal was conducted by drawing a sample of 6364 units of the total projects financed between 2001-2002 to 2005-06. The study reported that about 14% units were set up by SC entrepreneurs and about 11% by ST entrepreneurs. The overall sickness was around 3.6%, and hence it can be concluded that the remaining units were working. The appraisal revealed that more than 25% units were generating monthly income between Rs. 25,000/- to Rs. 50,000/- whereas the monthly income of around 11% units were reported even more than Rs.50,000/- .

(f): REGP is a Central Sector scheme and the approved grants for the scheme are released to the KVIC which, in turn, releases the funds (towards margin money assistance) to the banks against the projects sanctioned in each State/Union Territory (UT). The State/UT-wise details of margin money assistance sanctioned and utilised by KVIC under the REGP during 2004-05, 2005-06 and 2006-07 are given at Annex II.